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April 25, 2023

Mayor Dennis Walsh and Orono City Council
City of Orono
2750 Kelley Parkway
Orono, MN 55356

VIA U.S. MAIL AND EMAIL
(aedwards@ci.orono.mn.us)

Re: Orono's Breach of the Agreement and Contract for Fire Protection with the City of Long Lake

Dear Mayor Walsh and Orono City Council:

I have been retained by the City of Long Lake ("Long Lake") to pursue all remedies stemming from Orono's breach of the October 15, 2002 Agreement and Contract for Fire Protection, as amended ("Fire Service Agreement" or "Agreement"). The City of Orono's recent actions are a clear breach of the Fire Service Agreement, an anticipatory repudiation of the Agreement, and a violation of the implied covenant of good faith and fair dealing that is contained in every contract. To date, Orono's actions have caused the City of Long Lake damages, and if they continue, could affect the quality of fire services provided by Long Lake. If Orono does not immediately refrain from interference with Long Lake's duties in furnishing all firefighting services to Orono, Long Lake, Medina and Minnetonka Beach, Long Lake will be forced to bring an immediate action, and seek any and all monetary and equitable relief, including injunctive relief if appropriate.

The Agreement's term extends to December 31, 2025. Orono has sent letters expressing their intent to terminate their participation in the Agreement at that time. However, in the interim, Orono has acted in a manner that is in breach of the Agreement. First, despite being under contract with Long Lake for the next two years and eight months, in December 2022, Orono hired Long Lake's fire chief. This action was a breach of the Agreement because the Agreement specifically states that the Fire Chief of Long Lake shall have the sole and exclusive right and responsibility to prescribe the manner and method of giving an alarm for fire within the fire service area. Orono has no need for a fire chief before January 1, 2026.

Second, by using the knowledge and resources of the Long Lake Fire Department, Orono purchased a ladder truck that Long Lake was considering. Again, these actions were in direct breach of the Agreement's provisions that Long Lake is to furnish all firefighting services, rescue/medical services, and related fire protection services to Orono for the Total Fire Services Area. Because Long Lake is providing Orono's fire services, purchasing the ladder truck was a violation of the Agreement.

Third, Orono has approached the state Legislature regarding moving the present Fireman's Relief Association funding from the City of Long Lake to Orono. Under the express terms of the Agreement, the City of Long Lake is to assume all obligations with regard to the Firemen's Relief Association. This is a further breach of the Agreement.

Fourth, Orono has stated it will refuse to approve future Capital Budgets or future shared purchases under the current contract.

Each of these actions taken individually are a breach of the Agreement. However, as a whole, they are clear evidence of a repudiation of the Agreement, anticipatory ongoing breach of the Agreement before it expires in December 2025, and a violation of the covenant of good faith and fair dealing that is implied in every contract. There can be no reasonable explanation for Orono hiring a fire chief and purchasing a ladder truck three years before the expiration of the Agreement, or approaching the Minnesota Legislature about moving the Fireman's Relief Association over two and a half years before the expiration of the Agreement.

Long Lake's primary goal is to provide continued outstanding fire services to its member cities. With that in mind, Long Lake has had ongoing discussions with Orono on proposals to resolve this conflict. Long Lake will continue to work in good faith to the extent that it appears the goal of those discussions is a workable fire department that will service not only Orono and Long Lake, but Medina and Minnetonka Beach as well. However, should Orono continue with any future actions that will adversely affect Long Lake's ability to perform under the Agreement, it will immediately institute an action against Orono to compel Orono's performance under the Agreement, and to recover any and all damages available to it. By this letter, Long Lake expressly reserves, and does not waive, any of its rights under the Agreement and the Law.

Sincerely,



Christopher H. Yetka, for
Larkin Hoffman Daly & Lindgren Ltd.

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